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SUBJECT: STEALING THE SHOW -- PRIVATE INDUSTRY ANTI-PIRACY EFFORTS  
IN THE UK

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¶1. (U) Summary: Participants at a seminar on industry's efforts to stop film piracy broadly agreed on the need to outlaw camcording of films in cinemas. The industry is working with law enforcement to prosecute the organized crime families who produce counterfeit DVD's. Previous public outreach campaigns to link pirated materials with organized crime have not been effective, so industry is now trying to create a social stigma around the purchase of counterfeit DVD's. Online piracy is growing and internet service providers, concerned about privacy and other issues, are resisting cooperation with content providers to find a solution. End Summary

¶2. (U) On April 23, 2008, the UK Film Council organized a seminar on private industry efforts to stop film piracy and on challenges they face. Rupert Gavin, CEO of cinema chain Odeon, opened the seminar with a talk on the lack of a law against camcording in cinemas in the UK. He said that such laws in the U.S. and elsewhere have encouraged criminals to move their activities to the UK. A large percentage of pirated films originate as recordings of UK cinema screenings. The industry is lobbying HMG to address this issue.

¶3. (U) The Federation Against Copyright Theft (FACT) focuses on investigating and prosecuting individuals at the highest levels of organized crime who produce pirated DVD's for sale in the UK. The major film companies established FACT in 1983 to combat film piracy. Working closely with the police and the Office of Fair Trading (OFT), they investigate DVD peddlers and gather information for the police to use in their investigations. FACT says that Chinese organized crime syndicates control the majority of pirated DVD sales in the UK. The police do not have enough resources to arrest street-level sellers of fake DVD's and some boroughs will not prosecute them. FACT believes the everyday presence of these vendors contributes to the public perception that copyright theft is not a serious crime. In fact, research presented at the conference shows that many neighborhoods regard these pirated DVD sellers as someone providing a public service, similar to an ice cream truck.

¶4. (U) The Industry Trust for IP Awareness (ITIPA) said its earlier campaigns to link organized crime and copyright theft in consumers' minds had no noticeable impact on the sales of pirated DVD's. Industry survey and focus group results reveal that although the majority of consumers understand there is a link between film piracy and crime, they still rationalize their decisions to purchase pirated DVD's, because of the huge price difference. For many consumers, legitimate DVD's or cinema tickets are unaffordable, and they have little sympathy for Hollywood producers who have a glamorous, wealthy image. ITIPA has determined that ads providing logical reasons for not buying pirated DVD's are not very effective. Instead, now they are creating ads with an emotional appeal. They want to create a social stigma surrounding the purchase of fake DVD's with their character "Knock Off Nigel."

(www.knockoffornot.com) However, a Google search by Econoff for Knock Off Nigel quickly reveals that the ads may not have credibility with their intended audience. Most of the comments online from private citizens seem very cynical of the ITIPA's efforts.

15. (U) Thomas Dillon of the Motion Picture Association (MPA) believes that online film piracy is a massive problem that will continue to grow if left unchecked. There were 52 million illegal downloads in the UK in 2007. The MPA says that increased bandwidth speeds and ever-increasing ease of movie downloading will cause this number to grow. There were over 180 million illegal downloads in Spain in 2007 and film and DVD revenues decreased by six percent two years in a row. The MPA says that although there is no concrete connection, the film industry in South Korea has seen its sales plummet as that country has rolled out super-fast broadband to over 80 percent of the population.

16. (U) Dillon is also concerned at the lack of cooperation from internet service providers (ISP's) in the attempt to reach a solution to the problem of online piracy. The Gowers Review said that if content providers and UK ISP's could not reach their own solution to internet film piracy, the government should legislate a solution. The Gowers Review is an independent report on the UK intellectual property framework commissioned by the Chancellor of the Exchequer in 2006. Charles Dunstone of Carphone Warehouse, a leading British ISP, recently told BBC that ISP's are not responsible for policing the internet.

17. (U) John Woodward, CEO of the UK Film Council, believes the government will not pass legislation banning camcorders in cinemas and will focus on online piracy. He also predicts that HMG will have to legislate guidelines for ISP's on how to deal with online piracy. ISP's are concerned that they could be held liable for giving content providers or the police information on their customers. In addition, ISP's worry that if they bar their customers from distributing copyrighted material; they could lose those customers

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to competitors. However, Woodward believes that the Gower's Review and other reports have raised the government's awareness of IP issues.

18. (SBU) Comment: Despite the film industry's best efforts, British consumer apathy towards copyright infringement seems to be the biggest obstacle faced by the film industry in its anti-piracy efforts. While not as ubiquitous as in other countries, purchasing "knock-off" DVD's in pubs and elsewhere is widely practiced in the UK and viewed as socially acceptable. The government's push to make broadband internet access faster and more widely available combined with more user friendly online software for downloading pirated films means that the film industry faces an uphill battle in its fight to protect its copyrighted materials in the UK. End Comment.

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